

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1946 - HB 1859

March 11, 2014

SUMMARY OF BILL: Requires application forms used by local education agencies (LEAs), for parental application to receive free or reduced price lunch under the federal National School Lunch Program, to ask for the parents' income in a simple manner; to not contain information on the income levels for eligibility for free and reduced priced lunch; and plainly state that applications may be verified. Requires LEAs to verify the incomes of at least 10 percent of parents each year.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact –To the extent the requirements of this bill conflicts with federal statute and requirements related to eligibility verification for federal nutrition programs, federal pass-through funding to the state for the federal free and reduced price lunch programs may be placed at risk. If funding for these programs were decreased or withheld, the state would be unable to reimburse LEAs or school food authorities for expenses related to these programs, which would subsequently result in increased expenditures for local governments. Any such decrease or withholding of federal funding cannot be reasonably quantified because such impact would be dependent upon the response and action taken by the federal government. Otherwise, the fiscal impact for this bill is considered not significant.

Assumption:

- No change in the Basic Education Program (BEP) funding formula.
- According to the Department of Education, the state receives an estimated \$356,000,000 annually for federal nutrition programs.
- Any increase in local expenditures to perform any additional income verifications is estimated to be not significant.
- It is unclear if the bill's requirements are in conflict with current federal statutes and requirements related to income eligibility verification for federal nutrition programs.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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